

Executive Summary – 2015 EDC Industry Stakeholder Panel

EDC brings together leaders of national business and industry associations each year to share insights on Canadian trade and investment issues and provide input on how EDC can improve their services. The EDC Industry Stakeholder Panel consists of nineteen members from a variety of sectors. This executive summary provides a brief account of the meeting held in Ottawa on May 12 and 13, 2015.

Highlights from the Minister of International Trade's Speech

The Honorable Ed Fast, Minister of International Trade, spoke during the evening welcome reception on May 12, 2015 at the Rideau Club. The federal government is committed to enhancing international trade using a 'whole-of-government' approach. The Go Global workshops provide tools and support to help small and medium-sized enterprises (SMEs) export, and exemplify the type of collaboration needed between EDC, the Trade Commissioner Service (TCS), the Business Development Bank of Canada (BDC) and the Canadian Commercial Corporation (CCC). The federal budget included almost \$100 million over the next five years to enhance the TCS and to support SMEs. Looking forward, DFATD's goal is to increase the number of Canadian companies operating abroad from 11,000 to 20,000. The panel discussion that followed Minister Fast's speech focused primarily on: the labour and skills shortage including the importance of international education and access to foreign workers; the challenges associated with attracting foreign investments; and the importance of securing intellectual property rights.

Industry Stakeholder Panel Roundtable

Prior to the roundtable discussion with the panel, EDC's President and CEO, Benoit Daignault described how trade increased last year for certain industries, however, too few companies export and those who do still rely on well-established markets. EDC is working hard to help companies, especially SMEs, diversify and grow Canadian exports.

Panel members were asked to share their global business perspectives, opportunities and challenges in the annual roundtable. The majority of the fourteen industries represented are experiencing growth, including construction, automotive parts, aerospace, manufacturing, forestry and organics. Volatile markets and lack of capacity, however, are major concerns. Common themes from the industry leaders included:

- *Managing the labour and skills shortage* – Several industries are struggling to find workers to keep up with demand or respond to an aging or changing workforce. This shortage includes both a lack of skilled workers to supply industries such as aerospace and information technology communications (ITC), as well as 'blue-collar' workers to work in factories and other lower paying jobs. Changes to the Temporary Foreign Workers Program and immigration policies have had a negative impact on businesses who rely on access to foreign workers. Without access to these types of programs, there is a higher risk of blue collar jobs moving elsewhere, taking white collar jobs with them.
- *Building capacities within Canada* – Better recruitment strategies and increased training and mentoring is needed to respond to labour shortages and global competition. International education plays a key role in bringing skilled workers to Canada and ensuring young Canadians gain international experience and build global relationships.

- *Increasing inbound investment* – Investment-intensive industries such as ICT, biotechnology and marine renewable energy need access to foreign investment to compete. Access to working capital is also important for Canada’s independent businesses who are struggling to keep up with demand.
- *Catering to non-traditional exporters* – There is a communications challenge since SMEs generally see themselves as “too small” to export and to access EDC services. EDC’s communications materials showing large manufacturing components and shipping vessels reinforces this point. Emerging business models allow Canadians to manufacture and sell products (which are designed in Canada) abroad, bypassing the Canadian market entirely. These “virtual exporters”, are not currently being accounted for and represent a growing trend. Traditional trade agreements may also have unintentional consequences for non-traditional exporters.
- *Applying a ‘trade lens’* – Some domestic policies and regulations are having a negative impact on trade. One suggestion was to apply a ‘trade lens’ to ensure that trade implications are considered before new policies and regulations are adopted. Another suggestion was to invite more Canadian government representatives to the Industry Stakeholder Panel.
- *Remaining competitive* – Industries are experiencing a sense of urgency to remain competitive in the global economy. Even though many industries are growing, resourcing and scaling businesses to meet increased demand is a challenge. Some industries, such as automobile parts and organics, are growing but teetering on uncertain and complex supply chains. One suggestion was for Canada to set an ambitious target for growth to ensure continued economic prosperity.

Highlights of EDC’s Spring 2015 Global Export Forecast

Peter Hall, VP and Chief Economist, provided a brief overview of [EDC’s Spring 2015 Global Export Forecast](#). The key theme of the report is “Conquering the Chasm” – alluding to how the global economy has generally recovered from the largest shake-up in recent history, however, the journey is not over and the economy is still vulnerable. While the Canadian economy generally did well throughout the downturn, consumer debt, housing prices, provincial finances and domestic investments are weak. The U.S. economy, however, is fundamentally strong with pent-up demand. This resurgence of the U.S. economy is being felt around the globe but geopolitical risks in Europe, Russia and the Middle East and the effects of quantitative easing are taking its toll on those markets and contributing to market volatility.

Overview of New Services for Exporters

Two new services for exporters were shared with the panel:

- [Enterprise Canada Network \(ECN\)](#) is an industry-led, single-window, online platform that connects Canadian companies to global business, technology and research opportunities. ECN was launched by Canadian Manufacturers and Exporters (CME) and is supported by key federal partners such as EDC, Trade Commissioner Service (TCS) and the National Research Council (NRC).
- [Trade Protect](#) is EDC’s credit insurance option, available exclusively online, for Canadian companies who wish to insure a small number of customers outside of Canada against non-payment.

Closing

Mr. Daignault thanked the members and noted that the insights from the panel over the past ten years have been valuable, noting that EDC will continue to improve their ‘whole-of-government’ approach to support trade.

Appendix: List of EDC Industry Stakeholder Panel Members

In attendance:

Jim Quick

President and CEO
Aerospace Industry Association of Canada (AIAC)

Vince Guglielmo

Vice-President
Automotive Parts Manufacturers Association
(APMA)

Replacing

Flavio Volpe, President

Andrew Casey

President and CEO
BIOTECanada

Bob Kirke

Executive Director
Canadian Apparel Federation (CAF)

Ryan McEachern*

Managing Director, Canadian Association of Mining
Equipment and Services for Export (CAMESE)

Margaux Béland

Vice-President, Canadian Partnerships
Canadian Bureau for International Education (CBIE)

Replacing Karen McBride,
President and Chair*

Perrin Beatty

President and CEO
Canadian Chamber of Commerce (CCC)

Michael Atkinson

President
Canadian Construction Association (CCA)

Corinne Pohlmann

Senior Vice-President of National Affairs
Canadian Federation of Independent Business
(CFIB)

Replacing

Dan Kelly, President and CEO

Jayson Myers

President and CEO
Canadian Manufacturers and Exporters (CME)

Matthew Holmes

Executive Director
Canada Organic Trade Association (COTA)

Jean-François LaRue

Chief Economist
Forest Products Association of Canada (FPAC)

Replacing

David Lindsay, President

Joy Nott

President
Canadian Association of Importers and Exporters (IE
Canada)

Karna Gupta

President and CEO
Information Technologies Association of Canada
(ITAC)

Fabian Wolk

Board Director and Chairman of Rockland Scientific
Marine Renewables Canada (MRC)

() For the Welcome Reception only*

Apologies:

Gordon Bacon, CEO, Pulse Canada

John Gamble, President and CEO, Association of Consulting Engineering Companies Canada (ACEC)

Kasra L. Moozar, Board Member, Canada's Medical Device Technology Companies (MEDEC)

Mike Greenley, Chair of the Board, Canadian Association of Defence and Security Industries (CADSI)